

DEPARTMENT OF INSURANCE

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**NOTICE**

TO: All Fire and Casualty Broker-Agent, Personal Lines Broker-Agents,
Insurers and Interested Parties

DATE: November 16, 2007

SUBJECT: New Limited Lines Automobile Insurance Agent License Requirements

Background

Assembly Bill 797 (Coto, Chapter 271, Statutes of 2007) was signed into law and will take effect on January 1, 2008. This legislation creates a Limited Lines Automobile Insurance Agent License and establishes the prelicensing and continuing education (CE) requirements by amending Section 1749 et seq. and 1749.3 et seq. of the California Insurance Code (CIC). This new license will affect both individual and organization applicants.

Authority

The Automobile Insurance Agent is authorized to transact automobile insurance of the following types only as defined in Section 660, which consists of the following:

- private passenger or station wagon-type motor vehicles (with certain limitations);
- four-wheel motor vehicles within a load capacity of 1,500 pounds or less (with certain limitations); and,
- motorcycles.

Applicants

The applicant for an Automobile Insurance Agent license will be required to complete 20 hours of prelicensing education covering the following subject areas: basic insurance concepts and principles, contract law, and the insurance marketplace as well as 12 hours on ethics and the California Insurance Code. The license application fee will be \$144 per the two-year license term.

The California Department of Insurances' (CDI) online license application service will be available for Automobile Insurance Agent applicants beginning January 1, 2008. However, applicants will still be able to apply for this license prior to January 2008 by submitting a paper Individual Application, Form 441-9, on or after November 19, 2007. When completing the application please be particularly careful to ensure that Item 27, Examination Information, is filled out to allow the Producer Licensing Bureau to schedule the license examination at the time the paper application is processed. To avoid delays in licensure, the license examination fee of \$41 will need to be included with the \$144 application fee when submitting a paper application.

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Examination

The qualifying examination for the Automobile Insurance Agent license will consist of 60 questions. The examination questions are based on the educational objectives pertaining to automobile insurance. The Educational Objectives are available on the California Department of Insurance's (CDI) Website at www.insurance.ca.gov. On the Main page, click on the Agents and Brokers link, and then click on the following links: Applying for a License; Individual Resident License; Prelicensing Educational and Examination Objectives; and, click on the Educational Objectives for this license.

The non-resident Limited Lines Automobile Insurance applicant is exempt from having to take the license examination per Section 1679 (a) of the California Insurance Code. The non-resident applicant must hold the automobile insurance agent license authority in their home state to be issued a license in California.

Continuing Education

An individual licensed as an Automobile Insurance Agent must complete a minimum of 20 hours of CE each license term. The license term for an Automobile Insurance Agent is defined as the two-year period beginning on the date the license was originally issued and ends two years later on the last day of the month that the license was originally issued.

Ethics Training

As a condition to renew the license, the Automobile Insurance Agent must complete at least 2 hours of ethics training that is a part of, and not in addition to, the required 20 hours of CE.

Please visit the CDI's Website at www.insurance.ca.gov for more information regarding the new Limited Lines Automobile Insurance Agent license and access the frequently asked questions Web Page. Please contact the Producer Licensing Bureau at (800) 967-9331 if you have further questions about the new requirements.